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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : **Chapter 11**
: :
LEHMAN BROTHERS HOLDINGS INC., et al. : **Case No. 08-13555 (JMP)**
: :
Debtors. : **Jointly Administered**
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**STATEMENT OF AD HOC GROUP OF
LEHMAN BROTHERS CREDITORS IN SUPPORT
OF MOTIONS FOR ESTABLISHMENT OF PROCEDURES FOR THE
DEBTORS TO (I) COMPROMISE CLAIMS OF THE
DEBTORS IN RESPECT OF REAL ESTATE LOANS AND
(II) TRANSFER THEIR INTERESTS IN RESPECT OF RESIDENTIAL AND
COMMERCIAL LOANS SUBJECT TO FORECLOSURE TO
WHOLLY-OWNED NON-DEBTOR SUBSIDIARIES**

TO THE HONORABLE JAMES M. PECK,
UNITED STATES BANKRUPTCY JUDGE:

The Ad Hoc Group of Lehman Brothers Creditors (the “Group”), through its undersigned counsel, hereby files this statement in support of the Motions of Lehman Brothers Holdings Inc. (“LBHI”) and its affiliated debtors (collectively, the “Debtors”) in the above-referenced chapter 11 cases for Establishment of Procedures for the Debtors to (I) Compromise

Claims of the Debtors in Respect of Real Estate Loans and (II) Transfer their Interests in Respect of Residential and Commercial Loans Subject to Foreclosure to Wholly-Owned Non-Debtor Subsidiaries (together, the “Motions”) [Docket Nos. 4942 and 4966]. In support of the Motions, the Group respectfully states as follows:

STATEMENT

1. The Group has been working constructively with the Debtors and the Official Committee of Unsecured Creditors appointed in these cases (the “Committee”) to improve generally, for the benefit of all stakeholders, the Debtors’ public disclosures of information, including disclosures ultimately relating to the relief requested in the Motions. To date, such efforts have resulted in enhanced disclosures with respect to a number of the Debtors’ motions. For instance, after working with the Debtors and the Committee on the Debtors’ motion authorizing the establishment of procedures to terminate Unfunded Commitments¹ and Restructure Corporate Loan Agreements (the “Corporate Loan Motion”)(Docket No. 3573), the Debtors agreed to file monthly reports of all agreements to enter into restructuring transactions with respect to certain Corporate Loans detailing, among other things, the outstanding principal balance of such loans and a description of the type of restructuring transaction that has occurred (see Order Authorizing Corporate Loan Motion, Docket No. 3753). Similarly, with respect to the Debtors’ motion for authorization to implement Alternative Dispute Resolution Procedures for Affirmative Claims of Debtors under Derivative Contracts (Docket No. 4453), the Debtors, at the request of the Group, agreed to provide, through monthly reports filed by the mediator, periodic subsequent reporting of the progress of the Derivative ADR Procedures (see Revised Proposed Alternative Dispute Resolution Procedures Order, Docket No. 4903). In addition, the

¹ Capitalized terms utilized, but not defined herein, shall have the meanings ascribed to such terms in the Motions.

Debtors included additional disclosures in their most recent monthly operating reports in response to concerns raised by the Group.

2. With respect to the instant Motions, the Group believes that public dissemination of information relating to the results of the proposed procedures needs to be enhanced to allow public stakeholders (and this Court) to monitor the Debtors' progress. The Group is, however, optimistic that as a consequence of current discussions with the Debtors and the Committee, the Debtors will adequately address the concerns raised by the Group with respect to disclosures relating to their real estate assets. In the event discussions with the Debtors do not proceed as expected, the Group nonetheless reserves its rights to seek appropriate relief from the Court with respect to further public dissemination of such information.

3. Based on the foregoing, the Group supports approval of the Motions. The Group believes it is important to enable the Debtors to, among other things, (i) efficiently foreclose on defaulting Real Estate Loans and realize the economic value of the related Foreclosure Properties and (ii) efficiently compromise and settle claims with respect to the Real Estate Loans. In addition, with appropriate public disclosures, the Group believes that public stakeholders (and this Court) will be better positioned to monitor the Debtors' progress in these cases.

WHEREFORE, for the foregoing reasons, the Group supports approval of the Motions.

Dated: September 11, 2009
New York, New York

Respectfully submitted,

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By: /s/ Gerard Uzzi
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